



District of Columbia Economic and Revenue Trends: January 2016

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Federal civilian employment in DC’s economy: still the biggest game in town

One quarter of all jobs, nearly one third of all wages and salaries, and the underpinning of a diversifying economy

In the quarter ending September 2015, federal civilian employment accounted for 25.9% of all wage and salary jobs located in the District of Columbia and 31.8% of all wages and salaries earned there. These shares of the economy are somewhat smaller than they were 25 years ago (more so in jobs than income, as shown on the table on p.19) because the economy has diversified and federal employment has actually declined. (From 1990 to 2015, 21,000 federal jobs were lost while the economy as a whole added 84,000 jobs.) Still, the federal civilian sector remains DC’s largest, accounting for 21% more jobs and wages than professional and business services, DC’s next largest sector.

The federal civilian sector’s continuing importance to DC’s economy is illustrated in the following chart. The chart shows the amount of change (in billions of dollars) from the prior year in wages and salaries paid by the federal government and by all sectors of the economy.

—Sharp declines in federal wages had a major role in pulling down total wage growth in DC in the early 1990’s. This was true again in the period of federal fiscal austerity following the Great Recession (December 2007 to June 2009), although this time the private sector was stronger and total DC wages did not fall as far.

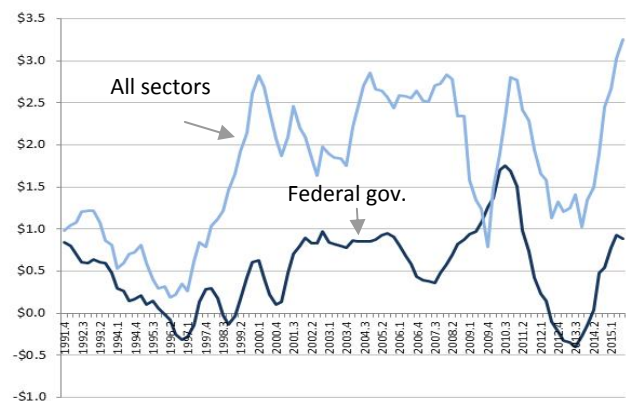
—With the Great Recession, rapid growth in federal wages in DC countered declines from other sectors. Consequently, unlike the US as a whole, DC did not experience any 12-month period of declining wages as a result of the recession.

—When wages earned in DC have grown the most, DC federal wages have generally grown significantly as well, providing underpinning in the range of \$500 million to \$1 billion per year for wage gains in the city. Most recently, *Cont’d on p. 19*

Amount of change from the prior year in wages and salaries earned in DC in the federal civilian sector and in all sectors: 1990.4 to 2015.3

(\$ billion, calculated from the 12-month moving average)

Source: BEA



Wage and salary employment

DC accounted for about 15% of the metropolitan area job growth over the past 3 months

- December wage and salary employment in DC was up by 9,667 (1.3%) from a year earlier as measured by the 3-month moving average.
- Federal government employment in DC for December was up by 833 (0.4%). The private sector gained 9,633 (1.8%).
- Total year-over-year DC metropolitan area employment increased by 67,100 (2.1%) in December as measured by the 3-month moving average.
- Suburban Washington employment in December increased by 2.4% from a year earlier.
- Seasonally adjusted DC jobs rose by 2,200 in December from the prior month.

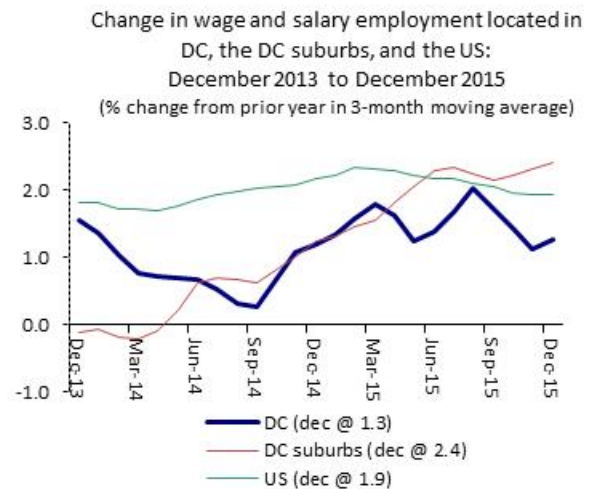


Table 1. Wage and salary employment in DC, Washington Metro area, and the US: December 2015

Jurisdiction	FY 2012	FY 2013	FY 2014	FY 2015	12-mo avg	3-mo average	This month
District of Columbia	730,950	745,375	751,492	762,908	765,325	775,233	774,600
1 year change	7,717	14,425	6,117	11,417	11,575	9,667	10,600
% change	1.1	2.0	0.8	1.5	1.5	1.3	1.4
Washington metro area	3,052,417	3,090,375	3,101,983	3,138,900	3,172,758	3,218,400	3,224,800
1 year change	36,767	37,958	11,608	37,300	61,158	67,100	68,500
% change	1.2	1.2	0.4	1.2	2.0	2.1	2.2
Washington suburbs (% ch)	1.3	1.0	0.2	1.8	2.1	2.4	2.4
US (% ch)	1.7	1.7	1.9	2.2	2.1	1.9	1.9

Not seasonally adjusted. Suburban employment is the difference between the metro area total and the DC portion.

Source: BLS. December is preliminary.

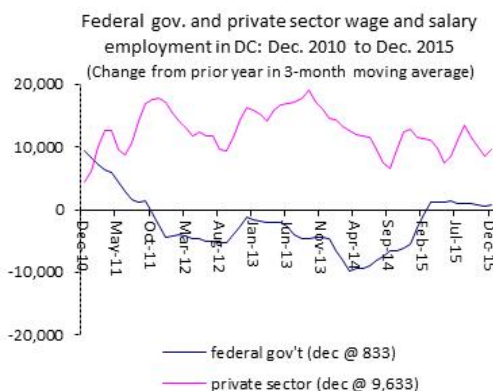


Table 2. Federal government and private sector wage and salary employment in DC: December 2015

Sector	FY 2013	FY 2014	FY 2015	12-mo avg	3-month average	This month
Federal government	205,900	198,367	197,867	198,075	198,800	200,000
1 year ch.	-2,675	-7,533	-500	1,058	833	1,500
% change	-1.3	-3.7	-0.3	0.5	0.4	0.8
Private sector	504,275	515,608	526,575	528,983	539,433	537,500
1 year ch.	16,633	11,333	10,967	10,158	9,633	10,100
% change	3.4	2.2	2.1	2.0	1.8	1.9

Source: BLS. Not seasonally adjusted. December is preliminary.

Table 3. Seasonally adjusted DC Employment: July 2015 to December 2015

Indicator	July	August	September	October	November	December
D.C. Wage and Salary employment	765,300	764,400	765,300	769,900	769,900	772,100
change from prior month	-200	-900	900	4,600	0	2,200
% change from prior month	0.0	-0.1	0.1	0.6	0.0	0.3

Source: BLS seasonally adjusted. December is preliminary

Health services and other business services topped DC private sector job growth

- In December the increase of 3,600 jobs in health services was more than that of any other sector. (3-month moving average.)
- Two other private sectors grew by more than 1,000 jobs: other business services (3,133), and organizations (2,567).
- Private sector industries losing jobs included education, retail, personal services, and accommodations.
- Local government fell by 800 (-2.1%).
- The federal government accounted for 25.6% of all DC jobs in December. Over the past year, DC's share of US federal employment fell slightly.

Change in private sector wage and salary jobs located in DC, the DC suburbs, and the US: December 2013 to December 2015 (% change from prior year in 3-month moving average)

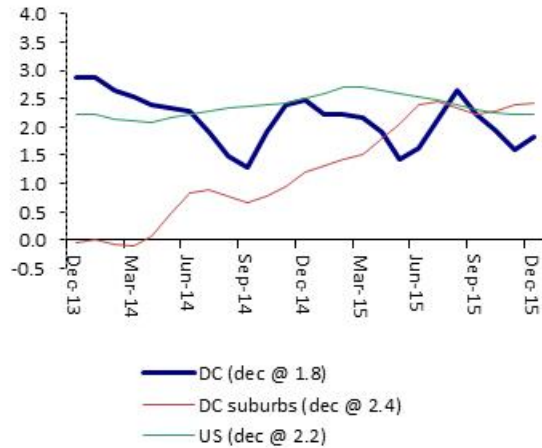


Table 4. Wage and salary employment located in DC: December 2015

Industry sector	3-month moving average				12-mo. moving avg: % change	Sector % of all DC jobs, Dec 2015	DC share (%) in Dec 2015 of all sector jobs in:		Change from Dec 2014 to Dec 2015 in DC share of sector jobs in:	
	Dec 2014	Dec 2015	1 year change				metro area	US	metro area	US
			Amount	%						
Federal government	197,967	198,800	833	0.4	0.5	25.6	54.3	7.24	-0.1	-0.01
Local government	37,800	37,000	-800	-2.1	0.8	4.8	10.8	0.19	-0.5	0.00
Legal services	29,233	30,133	900	3.1	1.3	3.9		2.67		0.06
Other Professional and technical	81,233	82,433	1,200	1.5	2.4	10.6	22.6	1.08	-0.6	-0.03
Employment services	15,500	15,967	467	3.0	7.1	2.1	34.7	0.43	-0.4	0.00
Other Business services	35,100	38,233	3,133	8.9	6.4	4.9	20.1	0.50	1.5	0.03
Information	16,967	17,033	67	0.4	-0.6	2.2	22.5	0.60	0.2	-0.01
Finance	30,633	31,333	700	2.3	1.9	4.0	20.6	0.38	0.3	0.00
Organizations	62,800	65,367	2,567	4.1	3.0	8.4	36.7	2.20	0.3	0.08
Education	64,567	61,767	-2,800	-4.3	-2.0	8.0	52.2	1.69	-3.0	-0.11
Health	67,800	71,400	3,600	5.3	4.2	9.2	23.1	0.38	0.4	0.01
Food service	47,767	48,200	433	0.9	0.4	6.2	21.3	0.43	-0.4	-0.01
Accommodations	15,267	14,800	-467	-3.1	-2.3	1.9	35.5	0.80	-0.8	-0.03
Amusement and recreation	7,233	7,367	133	1.8	3.0	1.0	19.7	0.36	0.6	0.00
Retail trade	23,233	23,033	-200	-0.9	4.1	3.0	8.2	0.14	-0.1	0.00
Wholesale trade	4,967	4,900	-67	-1.3	-2.9	0.6	7.7	0.08	-0.2	0.00
Construction	14,400	14,633	233	1.6	1.8	1.9	9.4	0.22	-0.2	-0.01
Personal and miscellaneous ser.	7,833	7,100	-733	-9.4	-6.8	0.9		0.40		0.10
Other private	5,267	5,733	467	8.9	4.4	0.7	5.0	0.03	0.4	0.00
Total	765,567	775,233	9,667	1.3	1.5	100.0	24.1	0.54	-0.2	0.00
Public sector	235,767	235,800	33	0.0	0.6	30.4	33.3	1.05	-0.5	0.00
Private sector	529,800	539,433	9,633	1.8	2.0	69.6	21.5	0.44	-0.1	0.00

Source: BLS. not seasonally adjusted. na=not available. For the metro area, legal is included in other professional and technical, and personal and miscellaneous services is included in organizations (a category BLS calls "other services")

Resident employment and unemployment

DC's unemployment rate steady at 6.6%

- In December DC resident employment was up 10,132 (2.9%) from a year earlier (3-mo. moving average). The labor force grew by 6,688 (1.7%).
- The seasonally adjusted unemployment rate stayed at 6.6%, the lowest rate since August 2008. Seasonally adjusted DC resident employment grew by 387 in December from Nov.
- December initial unemployment insurance claims were down 11.6% from last year (3-month moving average).

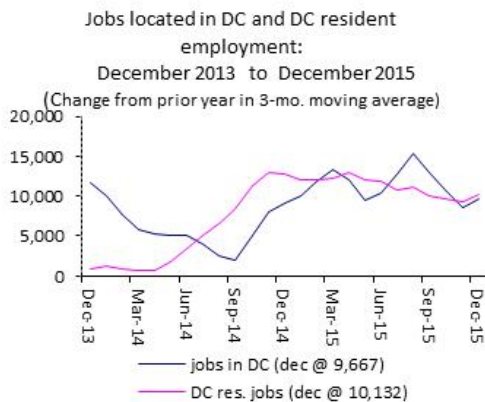
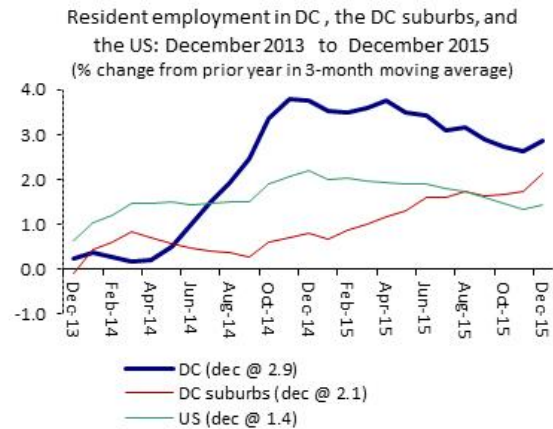


Table 5. Unemployment rates for DC, metro area, and US: December 2015

Jurisdiction	Not seasonally adj.		Seasonally adj.	
	Dec. 2014	Dec. 2015	Dec. 2014	Dec. 2015
US	5.4	4.8	5.6	5.0
DC	7.4	6.3	7.7	6.6
DC metro area	4.4	3.8	na	na
DC suburbs	4.0	3.5	na	na

Source: U.S. BLS. na= data not available

Table 6. Resident employment and unemployment: December 2015

Indicator	FY 2012	FY 2013	FY 2014	FY 2015	12-mo avg	3-mo. avg.	This month
DC Labor force summary							
Resident employment	325,671	341,547	344,855	356,577	359,110	364,211	364,104
1 year change	10,923	15,876	3,308	11,723	11,061	10,132	10,450
% change	3.5	4.9	1.0	3.4	3.2	2.9	3.0
Labor Force	359,299	373,874	374,475	384,581	386,253	389,836	388,655
1 year change	9,471	14,576	600	10,106	8,805	6,688	6,636
% change	2.7	4.1	0.2	2.7	2.3	1.7	1.7
Unemployed	33,627	32,327	29,620	28,020	27,159	25,625	24,551
1 year change	-1,452	-1,300	-2,707	-1,600	-2,240	-3,443	-3,814
% change	-4.1	-3.9	-8.4	-5.4	-7.6	-11.8	-13.4
Unemployment rate	9.4	8.7	7.9	7.3	7.0	6.6	6.3
DC Unemployment insurance (state program)							
Initial claims (monthly avg.)	1,784	1,915	1,851	1,596	1,546	1,503	1,361
1 year change	-317	131	-64	-255	-149	-198	-395
% change	-15.1	7.3	-3.3	-13.8	-8.8	-11.6	-22.5
Weeks compensated (mo. avg.)	45,170	42,862	42,133	32,811	31,841	31,230	36,863
1 year change	-1,253	-2,308	-729	-9,322	-7,111	-3,878	-3,488
% change	-2.7	-5.1	-1.7	-22.1	-18.3	-11.0	-8.6

Source: Labor force: BLS. Unemployment Insurance: US Dept of Labor. Not seasonally adj.

Table 7. Seasonally adjusted DC Resident employment and unemployment: July 2015 to December 2015

Indicator	July	August	September	October	November	December
DC Resident employment	358,938	360,452	360,849	362,447	363,369	363,756
change from prior month	1,426	1,514	397	1,598	922	387
% change from prior month	0.4	0.4	0.1	0.4	0.3	0.1
DC Unemployment rate (%)	6.8	6.8	6.7	6.6	6.6	6.6

Source: BLS seasonally adjusted. December is preliminary.

Wage growth similar for jobs in DC, DC residents, and all US workers

●Wages and salaries earned in the District of Columbia were 5.7% higher in the September quarter compared to the same quarter of 2014.

●Wages earned by DC residents have grown more slowly than the US average for most of the past 2 years, but the DC rate of growth was slightly higher in the 3rd quarter.

●In the September quarter, estimated wages of DC residents grew 5.2%. DC Personal Income grew 4.8%, slightly above the US increase (4.6%).

●Federal wages and salaries were \$0.95 billion (4.4%) higher in September than a year earlier.

●In the September quarter, private sector wages and salaries earned in DC grew by \$2.50 billion over the prior year, a 6.2% gain.

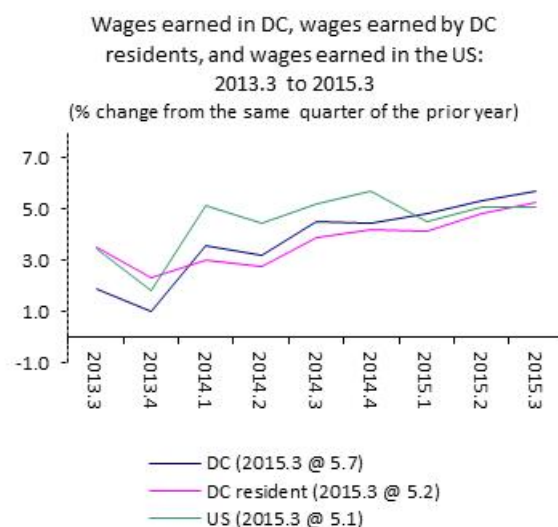


Table 8. DC Wages and Personal Income: September 2015

(\$ billion at seasonally adjusted annual rates unless otherwise noted)

Indicator	FY 2012	FY 2013	FY 2014	FY 2015	4-qtr. moving avg.	Latest qtr. (Sep.)
Wages and salaries earned in DC	60.65	62.07	63.97	67.22	67.22	68.56
1 year change	1.13	1.41	1.90	3.25	3.25	3.68
% change	1.9	2.3	3.1	5.1	5.1	5.7
Supplements to wages & salaries	16.50	16.44	17.24	18.12	18.12	18.39
% change	0.9	-0.4	4.8	5.1	5.1	4.7
Proprietors' income earned by DC residents*	5.87	5.85	5.98	6.36	6.36	6.50
% change	5.9	-0.3	2.2	6.4	6.4	6.1
Wages and salaries of DC residents***	20.77	21.69	22.34	23.37	23.37	23.83
change from one year ago	0.91	0.92	0.65	1.03	1.03	1.18
% change	4.6	4.4	3.0	4.6	4.6	5.2
Income earned by DC residents	29.7	30.3	31.1	32.7	32.7	33.3
% change	4.9	2.0	2.8	5.0	5.0	5.3
Property income of DC residents	7.78	8.26	8.48	8.77	8.77	9.01
% change	11.0	6.2	2.6	3.5	3.5	5.8
Pensions and other transfer of DC residents	5.73	5.90	6.01	6.05	6.05	6.11
% change	-0.3	2.8	1.9	0.6	0.6	0.8
DC Personal Income**	43.21	44.44	45.63	47.52	47.52	48.45
1 year change	2.14	1.23	1.18	1.89	1.89	2.23
% change	5.2	2.8	2.7	4.2	4.2	4.8
US Personal income (% change from prior year)	4.6	3.0	2.9	4.7	4.7	4.6
US Wages and salaries(% change from prior year)	3.4	3.9	4.1	5.1	5.1	5.1
<i>Addendum: Change from prior year in wages earned in DC by sector</i>						
Private sector (1 yr ch, \$B)	1.35	1.79	1.33	2.20	2.20	2.50
Federal government (1 yr ch, \$B)	-0.37	-0.43	0.48	0.85	0.85	0.95
DC res. wages as % of wages earned in DC	34.2	34.9	34.9	34.8	34.8	34.8

* Proprietors' income is derived from federal tax data and therefore all proprietors' income is earned by DC residents.

**Reflects deduction of social insurance paid by individuals. Wage and salary amounts shown are before this deduction.

***Est. by ORA; assumes wage and salary suppl. are the same % for DC resident wages as for wages earned in DC.

Source: BEA; data for September were released December 21, 2015

Single family and condominium housing

Average sale price of single family houses was 10% higher than a year ago

- The 3-month moving total of single family home sales in December was up 4.3% from a year earlier, and the average selling price was 10.1% higher. The year-to-date median sales price (\$661,750) was up 6.7%.
- December condominium sales were down 1.6% from last year as measured by the 3-month moving total, and the average selling price was 5.7% lower. Year-to-date median sales price (\$435,000) was up 4.8%.
- The total value of all home sales in December was 6.8% above last year as measured by the 12-month moving total.
- For the Federal Housing Finance Agency Index of single-family same-property transactions, DC's 8.6% price gain in the September quarter was well above the US average (5.8%) and more than twice the metro area average (3.3%).

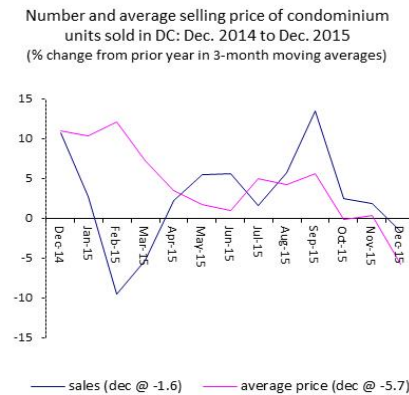


Table 9. D.C. Residential Real Estate Indicators: December 2015

Indicator	FY 2012	FY 2013	FY 2014	FY 2015	12-mo moving total or average	3-mo moving total or average	This month
Number of sales (settled contracts)							
Single family	3,563	3,979	4,024	4,097	4,141	1,073	370
1 year change	-237	416	45	73	106	44	-5
% change	-6.2	11.7	1.1	1.8	2.6	4.3	-1.3
Condo	2,784	3,487	3,592	3,832	3,817	911	332
1 year change	315	703	105	240	135	-15	47
% change	12.8	25.3	3.0	6.7	3.7	-1.6	16.5
Total	6,347	7,466	7,616	7,929	7,958	1,984	702
1 year change	78	1,119	150	313	241	29	42
% change	1.2	17.6	2.0	4.1	3.1	1.5	6.4
Average prices of units that sold							
Single family (\$)	630,109	712,799	736,362	767,870	786,003	784,890	754,530
1 year change	29,083	82,690	23,563	31,508	37,981	72,246	62,119
% change	4.8	13.1	3.3	4.3	5.1	10.1	9.0
Condo (\$)	429,611	447,827	472,419	499,650	492,413	494,985	503,361
1 year change	6,245	18,216	24,592	27,232	6,895	-29,906	-76,211
% change	1.5	4.2	5.5	5.8	1.4	-5.7	-13.1
Total value of all sales (\$ million)							
	3,441.1	4,397.8	4,660.0	5,060.6	5,134.4	1,293.1	446.3
1 year change	111.9	956.7	262.2	400.6	328.4	73.8	21.5
% change	3.4	27.8	6.0	8.6	6.8	6.0	5.1
Ratio: active inventory to sales							
Single family	2.3	1.6	1.6	1.5	1.4	1.8	1.9
Condo	2.9	1.7	1.9	1.7	1.6	2.1	2.0

Median contract prices, CY to date in December 2015 : single family \$661,750 (6.7% 1 yr ch); condo \$435,000 (4.8% 1 yr ch)

Closed (settled) contracts. Average prices calculated by ORA based on number of sales and total value of sales.

Source: Metropolitan Regional Information Systems (MRIS); median price and inventory accessed through Greater Capital Area Assn. of Realtors.

Single family and condominium housing

Table 10. Federal Housing Finance Agency Price Index for single family property in DC, DC metro area, and US: September 2015 (2015.3)

Indicator	Fiscal year average				Last 2 Q's	
	FY 2012	FY 2013	FY 2014	FY 2015	2015.2	2015.3
% change from prior year in value of index						
DC	8.2	13.0	7.6	8.8	8.2	8.6
DC metro area	3.4	8.8	6.1	3.9	3.6	3.3
US	0.8	6.9	6.6	6.1	6.5	5.8

Source: (1) Federal Housing Finance Agency "Expanded-data HPI Index" (sales plus refinancings) (nsa). This index is a broad measure of the movement of single-family house price, measuring the average price changes in repeat sales or refinancings of the same properties. This information is estimated using Enterprise, FHA, and Real Property County Recorder data licensed from DataQuick.

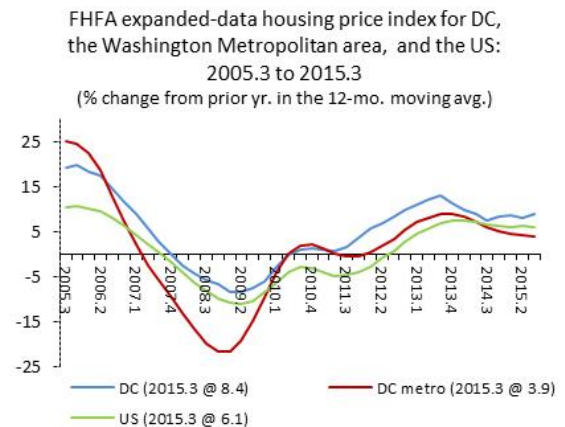
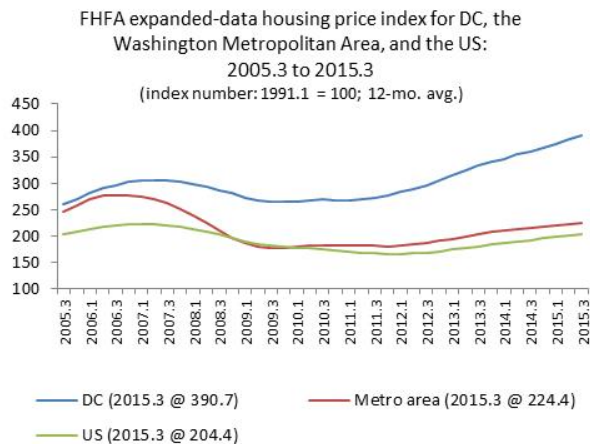


Table 11. D.C. Single family and condominium home sales at prices of \$1 million or more: December 2015

Category	FY 2013	FY 2014	FY 2015	12-mo moving total	3-mo moving total	This month
Single family homes	689	734	765	830	213	61
1 year change	231	45	31	97	65	10
% change	50.4	6.5	4.2	13.2	43.9	19.6
percent of all single family sales	17.3	18.2	18.7	20.0	19.9	16.5
Condominiums	112	128	160	152	35	13
1 year change	40	16	32	9	-8	-6
% change	55.6	14.3	25.0	6.3	-18.6	-31.6
percent of all condominium sales	3.2	3.6	4.2	4.0	3.8	3.9

Source: Metropolitan Regional Information Systems (MRIS). Sales are ones closed (settled) during period shown.

Table 12. Single family housing permits in DC and sales of new DC condominium units: FY 2011 to 2015.3

	Single family housing permits	Sales of new condo units
FY 2011	267	335
FY 2012	236	479
FY 2013	368	442
FY 2014	267	516
12-mo. ending:		
2015.3	293	483
1 yr ch	26	-33
% ch.	9.7	-6.4

Source: Census Bureau (permits), and Delta Associates (condo sales)

Table 13. Condominium units under construction or planned: September 2015

item	projects	units	Avg. units per project
Unsold units in completed projects		51	1,614
Planned with probable sales within 36 months*	19	1,169	62
Proposed/rumored with long term delivery	17	1,514	89
Subtotal	87	4,297	
Planned as either condo or rental	19	8,947	471
Total	106	13,244	

* 1,137 apartment units under construction could also switch to condo.

Source: Delta Associates. See p.11 For definition of planned and proposed.

Apartments and population

Population growth picked up in 2015. Almost 5,000 housing permits were issued in the last year

• In the September quarter, occupied apartment units increased 4,817 (2.9%) from a year earlier; effective rents rose 3.9%, and the vacancy rate fell to 4.1%.

• For the the 12-month period ending December, 4,956 housing permits were issued, up 18.4% from a year ago; the 3-month total was 121% higher than last year.

• In the September quarter 11,198 apartment units were under construction, representing the equivalent of 6.5% of the existing inventory.

• DC's population in July 2015 was estimated by the Census Bureau at 672,228, an increase of 12,392 (1.9%) from 2014.

• In 2014, the estimated net increase in households (4,037) was almost the same as the increase in occupied apartment units (4,389).

DC Apartment units: 12-mo. change in inventory and occupancy, and number under construction (all classes): 2014.1 to 2015.3

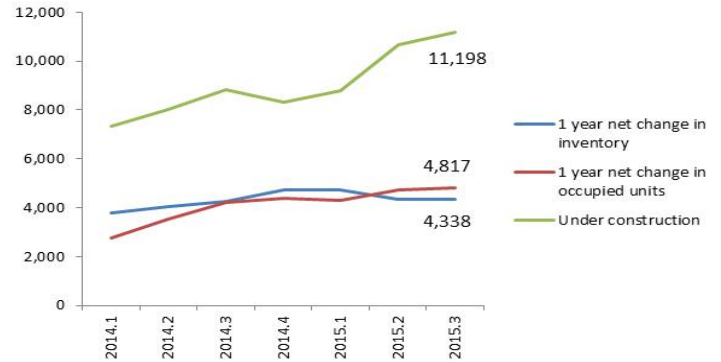


Table 14. Market rate apartment units in DC: 2007 to 2015.3

CY	Inventory				Occupied units			Effective monthly rent			Under Construction	
	Buildings	Units			Number	1 yr ch	% ch	\$ per		Buildings	Units	
		number	1 yr ch	% vacant				month	1 yr % ch			
2007	3,098	151,405	1,994	5.2	146,849	1,465	1.0	\$1,374	1.9	34	4,624	
2008	3,121	154,931	3,526	6.3	149,334	2,485	1.7	\$1,416	3.1	22	3,568	
2009	3,135	156,707	1,776	5.7	151,539	2,205	1.5	\$1,443	1.9	8	1,313	
2010	3,141	157,811	1,104	4.6	153,557	2,018	1.3	\$1,467	1.7	18	2,424	
2011	3,150	159,350	1,539	4.6	155,035	1,478	1.0	\$1,563	6.5	21	4,781	
2012	3,158	161,419	2,069	4.6	157,030	1,995	1.3	\$1,601	2.4	35	8,031	
2013	3,173	165,216	3,797	5.4	159,821	2,791	1.8	\$1,632	1.9	48	7,068	
2014	3,200	169,964	4,748	5.5	164,210	4,389	2.7	\$1,675	2.6	79	8,306	
2015.2	3,224	171,457	4,322	4.9	166,250	4,726	2.9	\$1,708	2.8	89	10,669	
2015.3	3,234	172,539	4,338	4.1	168,191	4,817	2.9	\$1,732	3.9	94	11,198	

Source: CoStar. Includes units in private buildings with 5 or more units. CY amounts are last quarter of the year. Includes some affordable units in market rate buildings.

Table 15. DC Population and Households: 2005 to 2015

Calendar year	Population				Households (estimated)			
	Number	Change from prior yr.		Number	Change from prior yr.		% pop/hh ratio	
		number	%		number	% pop/hh ratio		
2005	567,136	-618	-0.1	253,232	763	0.3	2.24	
2006	570,681	3,545	0.6	254,435	1,204	0.5	2.24	
2007	574,404	3,723	0.7	255,715	1,279	0.5	2.25	
2008	580,236	5,832	1.0	257,928	2,213	0.9	2.25	
2009	592,228	11,992	2.1	262,868	4,941	1.9	2.25	
2010	605,126	12,898	2.2	268,196	5,327	2.0	2.26	
2011	620,472	15,346	2.5	274,519	6,324	2.4	2.26	
2012	635,342	14,870	2.4	280,611	6,092	2.2	2.26	
2013	649,540	14,198	2.2	286,385	5,774	2.1	2.27	
2014	659,836	10,296	1.6	290,422	4,037	1.4	2.27	
2015	672,228	12,392	1.9	295,362	4,940	1.7	2.28	
Change from 10 to 15		67,102	11.1	27,166		10.1	2.47	

Source: U.S. Census Bureau. Estimate is as of July 1 of the year shown. Households estimated by ORA based on DC Office of Planning data.

Apartments and housing permits

Table 17. Housing unit building permits issued in DC: December 2015

	FY 2013	FY 2014	FY 2015	12-mo.	3-month	This month
				moving total	moving total	
Total units	3,855	4,467	4,131	4,956	1,508	71
change from 1 yr ago	-236	612	-336	769	825	-58
% change from 1 year	-5.8	15.9	-7.5	18.4	120.8	-45.0
Multi-family projects with 5 or more units						
number	36	32	37	43	13	3
average size	107	140	112	115	116	15

Source: Census Bureau (permits issued during period).

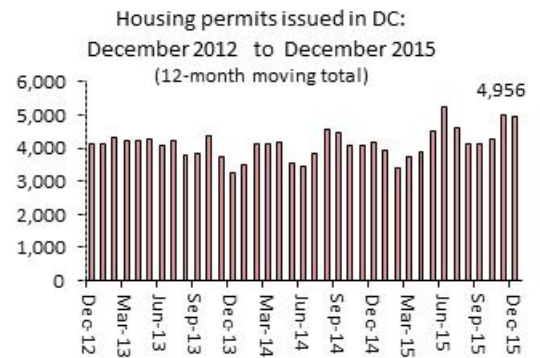


Table 18. Delta Associates outlook for Class A apartment units: September 2015

item	projects	units	Avg. units per project
Under construction*	67	10,579	158
Planned with probable sales within 36 months	24	5,510	230
Proposed/rumored with long term delivery	54	12,794	237
Total	145	28,883	
Addendum: estimated supply and demand for the next 3 years			
supply**		10,627	
demand		7,750	

*CoStar, Class A. See table 16.

**Supply available by Sept. 2018 represents vacant units, units under construction and marketing, and 25% (1,280) of planned units.

Source: Delta Associates, except for under construction (CoStar). For definitions of planned and proposed, see p. 11.

Annual increase in effective rent by apartment class: 2014.1 to 2015.3 (1 year % change)

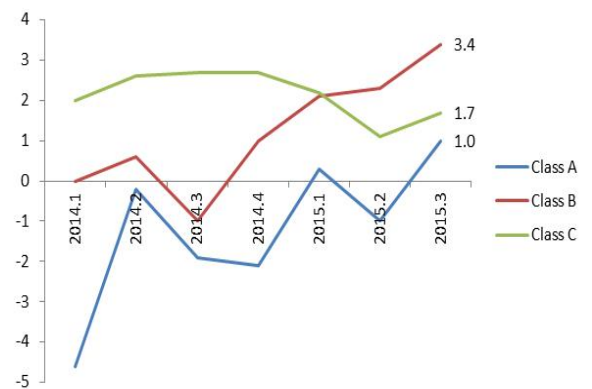


Table 16. Market rate apartment units in DC, Classes A, B, and C: 2012 to 2015.3

CY	Inventory				Occupied units			Effective monthly rent		Under construction	
	Buildings	number	Units	% vacant	Number	1 yr ch	% ch	\$ per month	1 yr % ch	Buildings	Units
Class A											
2012	160	26,950	2,158	5.5	25,458	1,614	6.8	\$2,613	-4.4	28	7,742
2013	173	30,561	3,611	7.6	28,248	2,790	11.0	\$2,512	-3.9	45	6,993
2014	201	35,292	4,731	7.3	32,726	4,478	15.9	\$2,458	-2.1	65	8,091
2015.2	220	36,693	4,224	6.2	34,431	4,541	15.2	\$2,507	-1.0	68	10,288
2015.3	231	37,784	4,268	5.6	35,686	3,958	12.5	\$2,525	1.0	67	10,579
Class B											
2012	979	73,801	196	1.9	72,366	514	0.7	\$1,546	3.3	5	264
2013	983	74,037	236	2.3	72,301	-65	-0.1	\$1,570	1.6	3	75
2014	985	74,098	61	2.7	72,105	-196	-0.3	\$1,585	1.0	14	215
2015.3	990	74,190	105	1.5	73,066	752	1.0	\$1,632	3.4	26	614
Class C											
2012	2,003	60,317	-55	1.9	58,975	146	0.2	\$1,092	3.4	2	25
2013	2,003	60,311	-6	2.3	58,975	0	0.0	\$1,120	2.6	0	0
2014	2,001	60,276	-35	2.7	59,081	106	0.2	\$1,150	2.7	0	0
2015.3	2,000	60,267	-35	1.5	59,130	95	0.2	\$1,167	1.7	1	5

Source: CoStar. Includes units in private sector buildings with 5 or more units. CY amounts are last quarter of the year. Includes some affordable units in market rate buildings.

Commercial office space

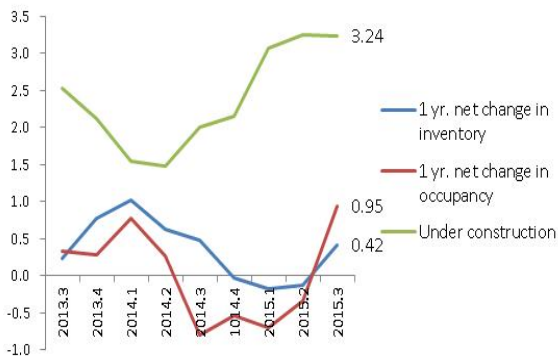
Occupied commercial office space continues to rise and vacancy rate falls.

●According to CoStar, for the quarter ending September 2015, the vacancy rate for all office space in DC was 10.4%, down from 10.5% in the prior quarter. The Class A vacancy rate was 11.4%. (both including sublet)

●In September 2015 occupied space rose 0.7% from the prior year; base rent rose 1.1%.

●Space under construction in September 2015 (3.24 million square feet in 15 buildings) was virtually unchanged from the prior quarter, but was 61% above a year earlier (2.01 msf in 11 buildings). Space under construction is equivalent to 2.1% of the existing inventory.

DC Commercial office space: 1 year change in inventory and occupancy, and under construction: 2013.3 to 2015.3 (all classes, msf):



Vacancy rate and 1 year % change in rent for Class A and all commercial office space: 2013.3 to 2015.3

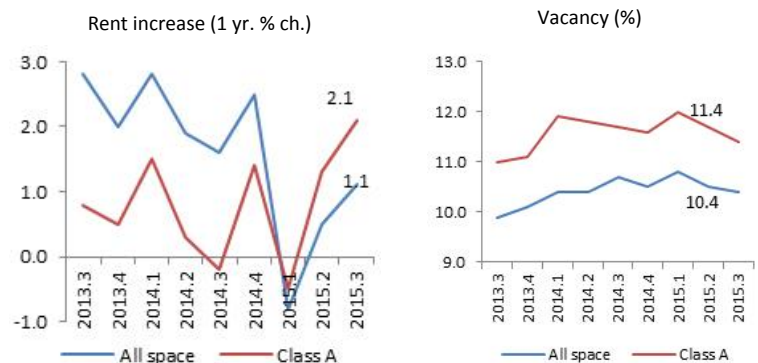


Table 19. DC commercial office space: 2007 to September (2015.3)

CY (year end)	Buildings	Inventory		Occupied space			Vacancy %		Base rent (direct)		Under constr.	
		Level (msf)	1 yr ch (msf)	Level (msf)	1 yr ch (msf)	% ch	Direct	Total	\$ per sq ft.	1 yr % ch	buildings	msf
2007	2,320	143.90	3.01	131.37	0.38	0.3	8.1	8.7	\$43.10	3.6	20	5.35
2008	2,320	144.95	1.05	131.55	0.18	0.1	8.6	9.2	\$43.22	0.3	25	6.89
2009	2,328	147.90	2.95	130.61	-0.94	-0.7	10.5	11.7	\$44.86	3.8	13	3.96
2010	2,337	150.46	2.56	133.78	3.17	2.4	10.1	11.1	\$45.59	1.6	6	1.56
2011	2,332	151.35	0.90	134.70	0.92	0.7	10.3	11.0	\$46.15	1.2	9	2.05
2012	2,322	151.09	-0.26	136.17	1.47	1.1	9.2	9.9	\$45.18	-2.1	8	2.23
2013	2,319	151.87	0.78	136.46	0.29	0.2	9.6	10.1	\$46.08	2.0	11	2.12
2014	2,312	151.84	-0.03	135.94	-0.53	-0.4	10.0	10.5	\$47.22	1.8	11	2.15
2015.2	2,308	152.38	-0.12	135.88	-0.33	-0.2	10.0	10.5	\$47.40	0.5	14	3.25
2015.3	2,306	151.90	0.42	136.57	0.95	0.7	9.9	10.4	\$47.64	1.1	15	3.24

Source: CoStar. All classes, all sizes.

Table 20. DC Class A commercial office space: 2012 to September (2015.3)

CY (year end)	Buildings	Inventory		Occupied space			Vacancy %		Base rent (direct)		Under constr.	
		Level (msf)	1 yr ch (msf)	Level (msf)	1 yr ch (msf)	% ch	Direct	Total	\$ per sq ft.	1 yr % ch	buildings	msf
2012	332	90.27	0.52	80.48	2.07	2.6	10.0	10.8	\$49.83	0.9	8	2.23
2013	336	91.26	1.00	81.15	0.67	0.8	10.4	11.1	\$50.10	0.5	8	2.07
2014	340	92.43	1.17	81.75	0.60	0.7	10.9	11.6	\$50.78	1.4	9	2.08
2015.2	342	92.63	0.36	81.75	0.33	0.4	11.1	11.7	\$51.11	1.3	11	3.17
2015.3	343	93.10	0.67	82.45	0.81	1.0	11.0	11.4	\$51.36	2.1	12	3.16

Source: CoStar. All Class A.

Office outlook and value of all property transfers

Property transfers down 19% from last year

- Delta Associates expects the DC share of new office construction and increased demand to be a little more than one-third of the regional totals—about the same as DC's share of existing regional office space.
- The value of December property transfers was down 18.9% from last year as measured by the 3-month moving total. The 12-month moving total (\$13.90 billion) was 2.8% higher than last year.

Table 21. Delta Associates outlook for commercial office space: September 2015

item	Million sq. feet
Under construction*	3.24
Planned	9.23
Proposed/rumored with long term delivery	10.46
Total	22.93

*CoStar. See table 19.

Addendum: estimated supply and demand for the next 2 years

supply**	1.60
demand	2.50

**Supply for next two years represents office buildings currently under construction and those planned that might deliver by September 2017.

Source: Delta Associates, except for construction (CoStar). For definitions of planned and proposed, see box.

Table 22. Delta Associates outlook for commercial office space in DC and the surrounding metro area: Sep. 2015 to Sep. 2017

Indicator	DC	No VA	Sub MD	Total	DC % of total
Inventory September 2015					
Inventory (msf)	141.3	179.4	85.9	406.6	34.8
Estimated net activity to September 2017					
new supply (msf)	1.6	2.9	0.3	4.7	34.0
new demand (msf)	2.5	3.5	1.2	7.2	34.7

Source: Delta Associates msf = million square feet

Note: Planned and proposed projects

Planned projects: Permits are filed, a ground-break date is established, size and location is determined, and the project is in one of many phases of the planning process (site plan review, design review, environmental compliance review, zoning, etc.).

Proposed projects: a developer has proposed to build a project (either formally or informally) but has not submitted any plans for review and permits have not yet been filed.

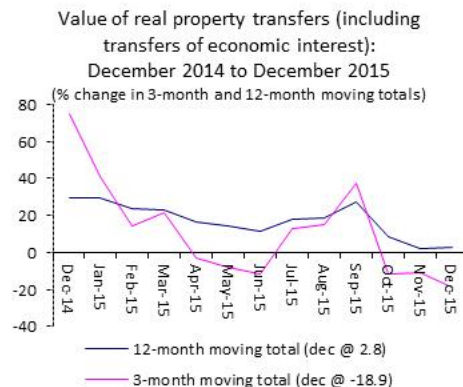
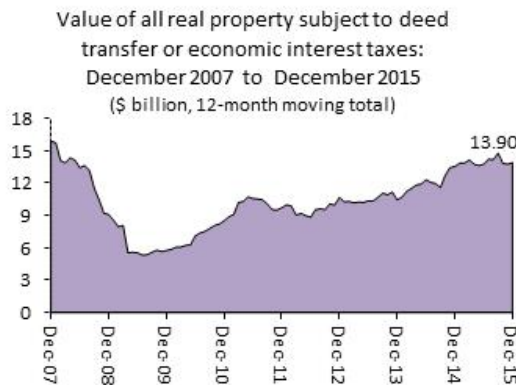


Table 23. Market Value of Real Property transfers subject to the Deed Transfer or Economic Interest tax: December 2015

	FY 2012	FY 2013	FY 2014	FY 2015	12-mo moving total	3-month moving total	This month
All property transfers (\$ million)	9,533.3	11,063.9	11,569.8	14,766.3	13,902.3	3,718.1	1,393.7
change from one year ago (\$M)	-526.2	1,530.6	505.8	3,196.5	376.0	-864.0	157.4
% change from 1 year ago	-5.2	16.1	4.6	27.6	2.8	-18.9	12.7

Note: represents value of property or economic interest transferred as of date deed noted by the Recorder of Deeds.

Source: OCFO/Recorder of Deeds and OCFO/ORR (calculated from tax collections and deposits adjusted for tax rate changes).

Hospitality

Hotel room revenue still fairly flat

● In December the 3-month moving total for hotel room-days sold was 0.2% above a year earlier. The average room rate was up 1.0%, and revenue grew by 1.2%.

● Employment in food services was 0.9% more in December than a year earlier as measured by the 3-month moving average. Hotel employment was down 3.1%, and retail was 0.9% lower.

● November airline traffic into the DC area was up 8.3% compared to a year earlier as measured by the 3-month moving total. Reagan National was up 12.7%. For the past 12-months, total traffic into the DC area was 5.8% higher.



Table 24. Hospitality Industry: December 2015

Indicator	Units	date	FY 2013	FY 2014	FY 2015	3-month		This month
						12-mo total or average*	moving total or average*	
Hotel stays								
Hotel room-days sold	('M)	dec	7.680	7.869	8.193	8.198	1.904	0.514
1 yr ch			0.062	0.189	0.325	0.198	0.004	-0.010
1 yr % ch			0.8	2.5	4.1	2.5	0.2	-1.9
Average room rate	\$	dec	207.31	209.87	215.30	215.80	214.18	164.28
1 yr ch			3.74	2.56	5.43	5.56	2.15	-4.62
1 yr % ch			1.8	1.2	2.6	2.6	1.0	-2.7
Occupancy rate (average)	%	dec	75.8	76.6	77.5	77.6	71.4	57.3
1 yr ch			0.5	0.8	0.9	0.7	0.4	-1.0
1 yr % ch			0.6	1.0	1.2	1.0	0.5	-1.7
Room revenue	(\$M)	dec	1,592.1	1,651.4	1,764.0	1,769.0	407.9	84.4
1 yr ch			41.4	59.4	112.6	87.3	5.0	-4.0
1 yr % ch			2.7	3.7	6.8	5.2	1.2	-4.5
Airline passengers								
DCA	1 yr % ch	nov	5.5	0.0	10.3	11.1	12.7	14.1
IAD	1 yr % ch	nov	-4.0	-1.9	0.3	0.4	1.5	1.6
BWI	1 yr % ch	nov	-1.5	-0.5	4.1	6.0	10.5	14.8
Total	1 yr % ch	nov	-0.3	-0.8	4.8	5.8	8.3	10.3
Employment								
Accommodations	level ('000)	dec	15.2	15.2	15.0	14.8	14.8	14.9
1 yr ch			-0.2	0.0	-0.2	-0.3	-0.5	-0.3
1 yr % ch			-1.2	-0.1	-1.6	-2.3	-3.1	-2.0
Food and bev	level ('000)	dec	45.1	47.0	47.5	47.6	48.2	48.5
1 yr ch			2.5	1.9	0.5	0.2	0.4	1.6
1 yr % ch			5.7	4.2	1.1	0.4	0.9	3.4
Arts and entertain.	level ('000)	dec	6.9	7.1	7.4	7.4	7.4	7.3
1 yr ch			0.0	0.2	0.3	0.2	0.1	0.1
1 yr % ch			0.2	2.2	4.5	3.0	1.8	1.4
Retail	level ('000)	dec	19.7	21.1	22.5	22.4	23.0	23.2
1 yr ch			0.9	1.4	1.4	0.9	-0.2	-0.8
1 yr % ch			4.7	6.9	6.8	4.1	-0.9	-3.3

* Total for hotel rooms sold and room revenue

Source: Smith Travel Research (hotel data); BLS (employment); Airport authorities (airline passengers);

US economic growth slowed in the last quarter of 2015

- US real GDP growth in the December quarter was 0.7%; nominal growth was 1.5% (seasonally adjusted, annual rates).
- US employment (seas. adj.) increased by 292,000 in December from the month before.
- The US unemployment rate (seas. adj.) stayed at 5.0% in Dec.
- In December the average S&P 500 index for the month fell 0.9% from November and was even with a year earlier.
- Compared to the prior month, inflation fell slightly in December, and was 0.7% above a year earlier. (seas. adj.).

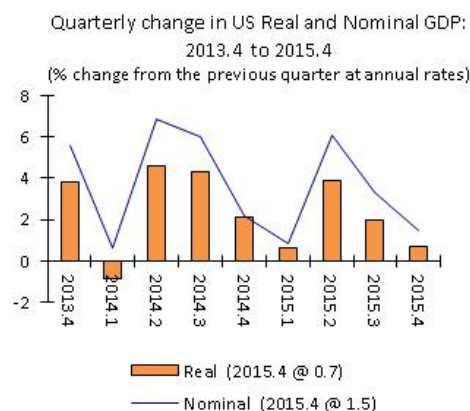
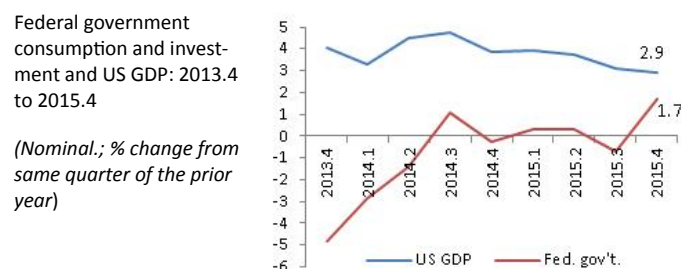


Table 27. Federal government sector, US GDP accounts: 2015.4

Indicator	FY 2013	FY 2014	FY 2015	12-mo avg	2015.4
Non-defense					
Compensation of employees	-0.2	1.8	4.2	4.6	5.2
Purchases of goods and services	-5.4	-1.0	0.7	-1.3	-3.5
Gross investment	-3.0	-1.6	2.6	2.8	3.3
Defense					
Compensation of employees	-3.5	-0.5	-0.7	-0.2	1.0
Purchases of goods and services	-8.5	-9.1	-2.9	-1.3	2.7
Gross investment	-8.3	-2.8	-3.3	-2.4	-0.4
All federal consumption and investment	-3.9	-2.0	-0.1	0.4	1.7

Source: BEA (January 29, 2016). Nominal values.



(Nominal; % change from same quarter of the prior year)

Table 26. Qtr. to Qtr. ch. in US GDP: 2014.4 to 2015.4

Indicator	2014.4	2015.1	2015.2	2015.3	2015.4
US GDP real	2.1	0.6	3.9	2.0	0.7
US GDP nominal	2.2	0.8	6.1	3.3	1.5
Wages and salaries	6.3	2.6	5.7	5.3	4.5
Personal income	4.9	3.3	5.2	5.0	3.5

Note: GDP=Gross Domestic Product Source: BEA, updated Jan. 29, 2016.

Table 25. US GDP, income, and inflation: 2015.4

Indicator	FY 2013	FY 2014	FY 2015	12-mo avg	2015.4
US GDP real	1.2	2.4	2.6	2.4	1.8
US GDP nominal	2.9	4.2	3.6	3.4	2.9
US Personal income	3.0	3.0	4.7	4.5	4.3
US wages	3.9	4.1	5.1	4.8	4.6
Corporate profits*	3.1	3.0	4.2	na	na
S and P stock index	16.7	20.3	9.7	6.7	1.9
US CPI	1.6	1.6	0.3	0.5	0.1
Balt//Wash. area CPI	1.6	1.7	0.4	0.4	na

Table 28. Monthly selected US Indicators: August 2015 to December 2015

Indicator	August	September	October	November	December
S and P stock index (level)	2040	1944	2025	2073	2054
% change from prior month	-2.6	-4.7	4.1	2.4	-0.9
% change from 1 year ago	4.0	-2.4	4.5	1.4	0.0
10 yr. Treasury Interest rate (level)	2.16	2.17	2.06	2.26	2.24
CPI % ch from prior month (seasonally adjusted)	-0.07	-0.15	0.20	0.03	-0.11
CPI % ch from prior year (seasonally adjusted)	0.22	-0.03	0.12	0.44	0.66
Jobs (seasonally adjusted level, in millions)	142.25	142.39	142.70	142.95	143.242
change from prior month (thousands)	153	145	307	252	292
% change from prior month	0.11	0.10	0.22	0.18	0.20
Resident employment (season. adj. level, in mil.)	149.04	148.94	149.20	149.44	149.93
change from prior month (thousands)	177	-101	255	247	485
% change from prior month	0.12	-0.07	0.17	0.17	0.32
Unemployment rate (seasonally adj.)	5.1	5.1	5.0	5.0	5.0

Source: BLS and Yahoo! Finance.

DC tax collections

Total DC tax collections (before earmarking):
December 2010 to December 2015
 (12-month moving total in \$ million)

December 2015 @ \$6,911M

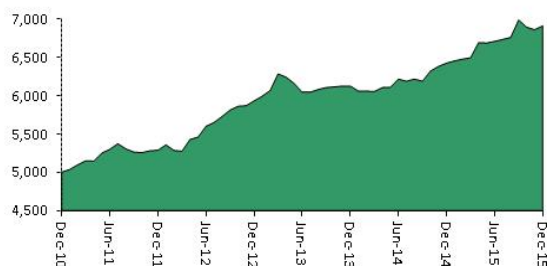


Table 29. Tax Collections (before earmarking): December 2015 (Preliminary)

Tax	Revenue (from CAFR)				Tax collections			
	FY 2012	FY 2013	FY 2014	FY 2015*	12-month moving total	FY 2016 to date	3-month moving total	This month
Total taxes	5,853.3	6,100.5	6,290.0	6,988.5	6,910.5	1,094.3	1,094.3	438.2
1 year change	528.0	247.2	189.5	799.8	486.4	-76.8	-76.8	50.9
% change	9.9	4.2	3.1	12.9	7.6	-6.6	-6.6	13.1
Real property	1,822.0	1,914.8	2,015.6	2,313.6	2,224.6	28.3	28.3	5.7
1 year change	106.9	92.8	100.7	423.8	231.0	-89.9	-89.9	8.2
% change	6.2	5.1	5.3	11.1	11.6	-76.0	-76.0	na
General sales	1,111.0	1,137.9	1,172.1	1,254.2	1,267.1	333.2	333.2	101.4
1 year change	67.6	26.8	34.2	93.7	82.5	12.9	12.9	8.5
% change	9.5	2.4	3.0	8.1	7.0	4.0	4.0	9.2
Individual income	1,490.7	1,640.9	1,679.2	1,873.7	1,893.7	413.2	413.2	159.5
1 year change	194.1	150.2	38.3	187.7	182.1	20.1	20.1	19.6
% change	15.0	10.1	2.3	11.1	10.6	5.1	5.1	14.0
withholding	1,321.6	1,391.2	1,472.9	1,579.8	1,589.0	372.5	372.5	119.8
1 year change	129.5	69.6	81.7	101.0	89.2	9.2	9.2	9.0
% change	10.9	5.3	5.9	6.8	5.9	2.5	2.5	8.2
non-withholding	169.1	249.6	206.2	293.8	304.7	40.7	40.7	39.7
1 year change	64.6	80.6	-43.4	86.7	92.9	10.9	10.9	10.5
% change	61.9	47.7	-17.4	41.9	43.8	36.7	36.7	36.1
Corporate income	302.9	299.0	280.2	317.0	336.8	81.4	81.4	71.1
1 year change	86.6	-3.9	-18.8	29.1	48.2	19.8	19.8	19.4
% change	40.1	-1.3	-6.3	10.1	16.7	32.0	32.0	37.4
Unincorporated Bus.	163.0	154.3	135.4	148.3	140.0	29.3	29.3	21.3
1 year change	19.6	-8.7	-18.9	9.4	-10.8	-8.3	-8.3	-11.3
% change	13.6	-5.3	-12.3	6.7	-7.1	-22.0	-22.0	-34.6
Deed taxes**	306.6	367.3	386.0	480.6	446.8	115.5	115.5	42.8
1 year change	-4.5	60.6	18.8	89.4	-4.2	-33.8	-33.8	0.8
% change	-1.5	19.8	5.1	22.8	-0.9	-22.6	-22.6	1.8
Other taxes	657.0	586.3	621.6	601.2	601.6	93.4	93.4	36.4
1 year change	29.2	-70.7	35.3	-33.3	-42.3	2.4	2.4	5.8
% change	4.6	-10.8	6.0	-5.2	-6.6	2.6	2.6	19.1

na = not applicable due to negative numbers.

* Tax collections before year end accounting adjustments needed to determine FY 2015 revenue.

**Deed taxes include deed recordation, deed transfer, and economic interest taxes on real property transactions.

Note: (1) Revenues for the fiscal years shown are based on the CAFR for those years.

(2) Tax collections data subject to accounting adjustments.

(3) This table and the graphs on the next page may include adjustments to the timing and consistency of collection reporting intended to make comparisons with prior year periods more meaningful. The data may therefore vary from other OCFO reports.

Source: OCFO/ORA

Deed taxes are down 23% in the last 3 months

• For the 12 month period ending December, total tax collections (before earmarking) were \$486.4 million (7.6%) more than in the prior year. For the last 3 months they were 6.6% below last year.

• Individual income tax collections were 10.6% above last year for the 12-months ending December, and withholding was 5.9% higher. For the past 3 months, withholding increased 2.5%. (Tax rates were lower in 2015 than 2014.)

• General sales tax collections were 7.0% above last year for the 12-months ending December. For the past 3 months they were 4.0% above last year.

• Deed tax collections for the 12-months ending December were down 0.9% from last year; for the past 3 months they were down 22.6%.

• Corporate income taxes in December were up 16.7% and unincorporated business income taxes fell 7.1% from last year (12-mo. total).

**Total tax collections (before earmarks):
December 2014 to December 2015**



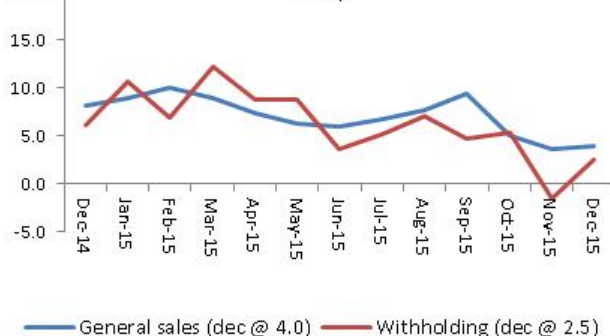
**General Sales tax collections (before earmarks):
December 2014 to December 2015**



**Withholding for the Individual Income tax:
December 2014 to December 2015**



**General Sales tax and Withholding for the Individual Income tax:
December 2014 to December 2015**



**Deed tax collections (before earmarks):
December 2014 to December 2015**



US economic forecasts

The January Blue Chip forecast for the US economy is for a little slower growth in FY 2016

- The Blue Chip Indicator January forecast for real GDP growth in FY 2016 (2.3%) is a little slower than the previous month's estimate and is less than the 2015 actual. The FY 2017 estimate would be the 4th year in a row of about 2.5% growth.
- The Blue Chip Indicator January forecast for inflation (CPI) : 1.2% for FY 2016 and 2.2% in FY 2017.
- S&P 500 January baseline forecasts: somewhat lower forecasts. Global Insight expects the market to do a little better in 2016 than in 2015, but Moody's does not.

Table 30. Forecasts for US nominal and real GDP:

Fiscal year and date of forecast	real			nominal		
	Blue Chip	Moody's	IHS Global	Blue Chip	Moody's	IHS Global
		Analytics	Insight		Analytics	Insight
FY 2013 Actual	1.2	1.2	1.2	2.9	2.9	2.9
FY 2014 Actual	2.4	2.4	2.4	4.2	4.2	4.2
FY 2015 Actual	2.6	2.6	2.6	3.6	3.6	3.6
FY 2016						
October	2.6	2.9	2.7	4.3	4.3	5.6
November	2.5	2.5	2.8	4.1	3.9	5.2
December	2.5	2.6	2.5	4.0	3.7	5.0
January	2.3	2.5	2.3	3.9	3.9	4.4
FY 2017						
January	2.5	3.0	3.1	4.6	5.1	6.6

Sources: BEA, Blue Chip Indicators, Moody's Economy.com, and IHS Global Insight.

Blue Chip Indicators estimate of US Nominal and Real GDP: FY 2010 to FY 2017
(% change from the prior year; Jan. 2015 estimate)

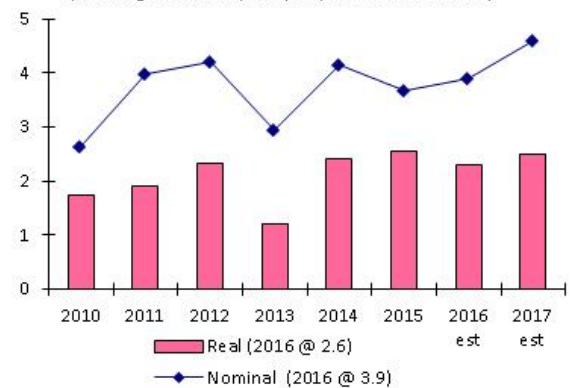


Table 31. CBO estimates of GDP and other indicators: FY 2015 to FY

Indicator	FY 2015	FY 2016	FY 2017	FY 2018
Real GDP (% ch from prior yr.)	2.6	2.3	2.6	2.3
Nominal GDP (% ch from prior yr.)	3.6	3.8	4.3	4.3
CPI (% ch from prior yr.)	0.3	1.0	2.2	2.4
10 yr. Treasury bond rate	2.2	2.6	3.3	3.8
Unemployment rate	5.5	4.8	4.4	4.5

Source: Congressional Budget Office, *The Budget and Economic Outlook: 2016 to 2026*, January 2016

Table 32. Blue Chip forecasts for CPI and 10 year Treasury interest rate: FY 2015 to FY 2017

Forecast date	CPI			10 yr Treasury rate		
	2015	2016	2017	2015	2016	2017
	Oct	0.3	1.5		2.2	2.6
Nov	0.3	1.4		2.2	2.5	
Dec	0.3	1.4		2.2	2.5	
Jan	0.3	1.2	2.2	2.2	2.5	3.1

Source: Blue Chip Indicators

Table 33. IHS Global Insight forecast for S and P 500: 2014.4 to 2016.4

Forecast date	% change from prior year			% change from prior year		
	2014.4	2015.4	2016.4	2014.4	2015.4	2016.4
	Global Insight: baseline			Global Insight: pessimistic		
October	13.6	-1.1	5.0	13.6	-11.1	-5.4
November	13.6	3.1	6.5	13.6	-13.4	-23.4
December	13.6	3.1	6.5	13.6	2.8	-31.8
January	13.6	2.0	5.4	13.6	2.0	-32.7

Table 34. Moody's Analytics forecast for S and P 500: 2014.4 to 2016.4

Forecast date	% change from prior year			% change from prior year		
	2014.4	2015.4	2016.4	2014.4	2015.4	2016.4
	Economy.com baseline			Economy.com pessimistic		
October	13.6	0.6	6.9	13.6	-0.5	3.5
November	13.6	2.0	5.1	13.6	2.0	0.8
December	13.6	1.6	5.1	13.6	1.6	0.7
January	13.6	2.0	1.6	13.6	2.0	-2.6

Source: Moody's Analytics (Economy.com.)

Baseline forecasts for DC: raised estimates for jobs and income in FY 2016.

●**Employment:** Estimates for employment in FY 2016 are increased, but are still less than they were in FY 2015. Resident employment and jobs located in DC continue to grow at about the same number. DC's unemployment rate stays about 6.5% in FY 2016.

●**Income.** Although similar in their job outlooks, Global Insight and Moody's Analytics differ in their outlook for income. Global Insight estimates DC Personal Income will be higher in FY 2016 and FY 2017 than it was in FY 2015; Moody's Analytics says it will be lower each year. Global Insight's Personal Income growth for DC is above the national average, whereas Moody's Analytics shows it much below the US average.

Table 35. Jobs in DC: forecasts for FY 2014 to FY 2017

(amount of change from prior year, in thousands of jobs)

Date of estimate	Global Insight: baseline				Global Insight: pessimistic				Moody's Analytics: baseline				Moody's Analytics: pessimistic			
	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
Oct	6.0	11.2	6.0	6.5	6.0	11.2	4.0	3.6	6.0	11.2	6.4	8.2	6.0	11.2	1.5	3.5
Nov	6.0	11.3	6.7	6.2	6.0	11.3	4.5	2.5	6.0	11.3	6.2	6.8	6.0	11.3	3.4	0.5
Dec	6.0	11.3	6.6	5.8	6.0	11.3	4.9	0.5	6.0	11.3	6.4	6.7	6.0	11.3	3.6	0.3
Jan	6.0	11.3	10.5	6.1	6.0	11.3	8.9	0.8	6.0	11.3	9.7	6.6	6.0	11.3	6.9	0.2

Source: IHS Global Insight and Moody's Analytics (Economy.com).

Table 36. DC Resident employment: forecasts for FY 2014 to FY 2017

(amount of change from prior year, in thousands of jobs)

Date of estimate	Global Insight: baseline				Global Insight: pessimistic				Moody's Analytics: baseline				Moody's Analytics: pessimistic			
	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
Oct	3.4	11.7	9.3	5.9	3.4	11.7	8.6	4.1	3.4	11.8	9.2	5.8	3.4	11.8	6.6	5.3
Nov	3.4	11.7	8.9	7.0	3.4	11.7	7.8	4.5	3.4	11.7	8.1	5.6	3.4	11.7	6.8	3.8
Dec	3.4	11.7	9.1	7.2	3.4	11.7	8.4	4.3	3.4	11.7	7.9	5.6	3.4	11.7	6.5	3.8
Jan	3.4	11.7	9.9	7.2	3.4	11.7	9.2	4.3	3.4	11.7	9.4	6.0	3.4	11.7	8.1	4.2

Source: IHS Global Insight and Moody's Analytics (Economy.com).

Table 37. DC Personal Income: forecasts for FY 2014 to FY 2017

(percent change from prior year)

Date of estimate	Global Insight: baseline				Global Insight: pessimistic				Moody's Analytics: baseline				Moody's Analytics: pessimistic			
	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
Oct	2.7	4.1	4.5	6.1	2.7	4.0	3.3	3.2	2.7	3.9	3.9	2.4	2.7	3.9	1.8	1.3
Nov	2.7	4.1	4.4	5.9	2.7	4.1	3.4	3.1	2.7	3.8	3.1	1.8	2.7	3.8	2.1	0.4
Dec	2.7	4.1	4.3	5.8	2.7	4.1	3.4	2.4	2.7	3.8	2.5	1.7	2.7	3.8	1.5	0.3
Jan	2.7	4.2	4.9	5.4	2.7	4.2	4.0	2.1	2.7	4.2	3.9	1.6	2.7	4.2	2.8	0.3

Source: IHS Global Insight and Moody's Analytics (Economy.com).

Table 38. January forecasts for employment and Personal Income for DC, the metro area, and the US: FY 2014 to FY 2017

(percent change from prior year)

Indicator	Global Insight				Moody's Analytics			
	2014	2015	2016	2017	2014	2015	2016	2017
Wage and salary jobs								
DC	0.8	1.5	1.4	0.8	0.8	1.5	1.3	0.9
Metro area					0.4	1.7	1.8	1.5
US	1.8	2.2	1.8	1.4	1.8	2.2	1.8	1.9
Personal Income								
DC	2.7	4.2	4.9	5.4	2.7	4.2	3.9	1.6
Metro area					2.2	4.4	6.1	6.8
US	3.0	4.7	4.2	4.9	3.0	4.7	5.1	6.3

Source: IHS Global Insight and Moody's Analytics. Baseline forecasts

Table 39. January DC forecasts for wages and unemployment: FY 2014 to FY 2017

(percent change from prior year)

	Global Insight				Moody's Analytics			
	2014	2015	2016	2017	2014	2015	2016	2017
Wages and salaries earned in DC								
	3.1	5.1	4.9	4.5	3.1	5.1	4.9	3.6
DC resident wages and salaries								
	3.0	4.6	5.8	5.8	3.0	4.6	3.2	-1.8
DC Unemployment rate (level)								
	7.9	7.4	6.5	6.2	7.9	7.4	6.6	6.8

Source: IHS Global Insight and Moody's Analytics (Economy.com). Baseline forecasts.

DC revenue estimate

The December revenue estimate: \$623 million more tax revenue in FY 2015 followed by a \$20 million decline in FY 2016

• Anticipated tax revenue growth (before earmarks) is 9.9% in FY 2015 and -0.3% in FY 2016. FY 2014 tax revenue growth was 3.1%. The estimates reflect growth in the DC economy. Part of the big increase in FY 2015 is a one-time revenue gain from settlement payments for past due sales taxes from on-line hotel bookings, and also extraordinary gains from certain taxes. The reduction in FY 2016 includes the effects of scheduled tax cuts enacted in September.

• The real property tax accounts for 29% of revenue growth in FY 2015 and is the tax source with the biggest positive gains in FY 2016. Individual income tax revenue increased 11.2% in FY 2015, but is estimated to grow just 0.1% in FY 2016 reflecting both tax cuts and extraordinary capital gains in FY 2015. Sales (due to the hotel booking settlement), deed taxes, and business income are projected to fall in FY 2016.

• As a share of DC Personal Income, tax revenue in FY 2015 is expected to rise to 14.6% compared to 13.8% in FY 2014, then fall back to 13.7% by FY 2017 due in part to the effects of scheduled tax cuts.

Table 40. DC Tax Revenue (before earmarks) for FY 2014 through FY 2017: December 2015 revenue estimate

Tax	FY level (\$ million)				Change from prior year (\$ M)				% change from prior year			
	2014	2015	2016	2017	2014	2015	2016	2017	2014	2015	2016	2017
Real property	2,015.6	2,194.5	2,318.9	2,380.4	100.7	178.9	124.4	61.6	5.3	8.9	5.7	2.7
Deed taxes	391.2	480.6	400.9	408.9	24.0	89.4	-79.7	8.0	6.5	22.8	-16.6	2.0
General sales	1,172.1	1,309.9	1,287.7	1,341.8	34.2	137.8	-22.1	54.1	3.0	11.8	-1.7	4.2
Individual income	1,679.2	1,868.0	1,870.3	1,950.9	38.3	188.9	2.3	80.6	2.3	11.2	0.1	4.3
Withholding	1,472.9	1,553.2	1,629.7	1,700.7	81.7	80.3	76.5	71.0	5.9	5.5	4.9	4.4
non-withholding	206.2	314.8	240.6	250.2	-43.4	108.6	-74.2	9.6	-17.4	52.7	-23.6	4.0
Business income	415.6	447.8	420.9	437.4	-37.7	32.2	-26.9	16.4	-8.3	7.8	-6.0	3.9
Other	616.4	612.1	593.8	598.9	30.1	-4.3	-18.3	5.1	5.1	-0.7	-3.0	0.9
Total	6,290.0	6,912.9	6,892.6	7,118.3	189.5	622.9	-20.3	225.7	3.1	9.9	-0.3	3.3

Source: ORA. December 30, 2015 revenue estimate under existing legislation. Deed taxes include economic interest. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues. FY 2014 is from the FY 2014 CAFR.

Table 41. DC labor market assumptions: FY 2014 to FY 2017

item	2014	2015	2016	2017
Wage and salary employment	751,483	762,792	771,871	780,777
1 year change	6,000	11,309	9,079	8,906
% change	0.8	1.5	1.2	1.2
DC resident employment	344,826	356,539	363,938	368,769
1 year change	3,434	11,713	7,399	4,831
% change	1.0	3.4	2.1	1.3
Unemployment rate	7.9	7.4	6.5	6.5

Source: ORA December 2015 revenue estimate.

Table 42. DC Income and stock market assumptions:

item	FY 2014 to FY 2017 (% change from prior year)			
	2014	2015	2016	2017
Wages and salaries earned in DC	3.1	4.7	4.4	4.8
Wages and salaries earned by DC residents	3.0	4.2	4.4	4.2
DC Personal income	2.7	4.1	4.6	4.8
S and P 500 stock index	13.6	2.6	5.8	5.7

Source: ORA December 2015 revenue estimate. Stock index, on a calendar year basis, represents the % change from the December quarter of the prior year.

Table 43. DC tax revenue (before earmarks) and DC Personal Income: FY 2008 to FY 2017

item	2008	2009	2010	2011	2012	2013	2014	2015 est	2016 est	2017 est
Tax revenue (\$ million)										
Level	5,325	5,052	5,005	5,325	5,853	6,100	6,290	6,913	6,893	7,118
Change from prior year	170	-273	-47	320	528	247	189	623	-20	226
Percent change from prior year										
Tax revenue	3.3	-5.1	-0.9	6.4	9.9	4.2	3.1	9.9	-0.3	3.3
Personal Income	9.3	-0.7	1.5	8.0	5.2	2.8	2.7	4.1	4.6	4.8
Tax revenue as percent of Personal Income										
	14.1	13.5	13.2	13.0	13.5	13.7	13.8	14.6	13.9	13.7

Source: ORA. December 30, 2015 revenue estimate under existing legislation. The table includes tax revenue only, before all earmarks, and excludes all non-tax revenues, lottery, and "O-type" earmarked revenues.

for example, the federal civilian sector accounted for \$2.0 billion of the \$6.5 billion increase in total wages and salaries earned in DC from 2013.3 to 2015.3. The growth in federal wages over these two years was greater than that in professional and business serves.

The contribution of the federal government's civilian sector to the District's economy depends on the amount of federal spending for civilian goods and services in the US economy, and the share of that spending that affects DC. These will be discussed in a subsequent Trend report.

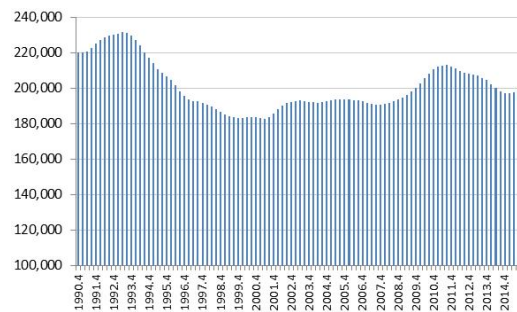
—Stephen Swaim, DC Office of Revenue Analysis

Federal civilian and total wage and salary employment in DC: 1990.4 to 2015.3

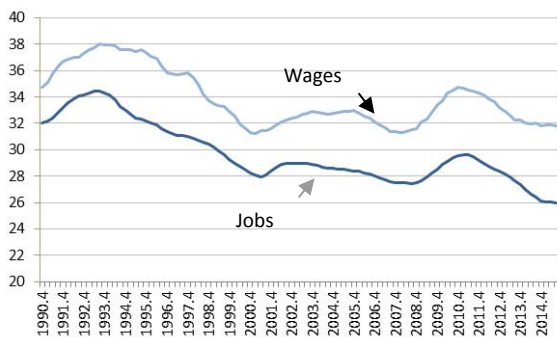
	Level		change	
	1990.4	2015.3	amount	%
Federal	220,017	197,867	-22,150	-10.1
All DC jobs	686,058	762,908	76,850	11.2

Source: BLS. Calculated from 12-month moving averages.

Federal civilian jobs in DC: 1990.4 to 2015.3
(Number of jobs, 12-month moving average)



Federal civilian percentage of (1) all wage and salary jobs located in DC and (2) all wages and salaries earned in DC: 1990.4 to 2015.3
(% calculated from 12-month moving averages)



Federal civilian sector share of DC jobs and wages: 1990.4 and 2015.3

	1990.4	2015.3
% of jobs	32.1	25.9
% of wages	34.7	31.8

Source: BLS and BEA, Wage and salary employment and source of income. Calculated from 12-month moving averages.

Wages and salaries in DC by sector: 2013.3 and 2015.3
(\$ billion)

sector	Level (\$B)		Change	
	2013.3	2015.3	\$B	%
Fed civilian	19.69	21.70	2.01	10.2
Prof. & bus ser.	16.17	17.84	1.67	10.3
All other	26.22	29.02	2.81	10.7
Total	62.08	68.56	6.48	10.4

Source: BEA

ORA reports and documents. From time to time the Office of Revenue Analysis prepares revenue estimates, fiscal impact statements on pending legislation, reports, and other documents on subjects related to DC 's economy and taxes. These documents are posted on the OCFO web site (www.cfo.dc.gov) under subcategories of "Reports and Publications" and "Budget and Revenue."

District, Measured. Information on the economic and demographic trends taking shape in the city can be found on the ORA Blog, District, Measured (districtmeasured.com). You can sign up at the blog page to receive updates as new articles are posted.

Recent ORA reports:

Revised revenue estimate, December 30, 2015.

Tax expenditure report, May 2014. Comprehensive description of all DC tax expenditures.

Briefing documents. A series with information related to DC's economy and taxes.

DC Tax Facts, 2015. Details on all DC taxes.

Tax Rates and Tax Burdens 2014 Nationwide. This annual publication compares DC tax rates and estimated DC tax burdens for households of different income levels with the rates and burdens of state and local taxes in the principal cities in all 50 states.

Tax Rates and Tax Burdens 2014 Washington Metropolitan Area. This annual publication compares DC tax rates and estimated DC tax burdens for households of different income levels with the rates and burdens of the surrounding jurisdictions in the DC metropolitan area.

About this report. *District of Columbia Economic and Revenue Trends* is generally issued toward the end of every month. Employment and most other DC information reported on a monthly basis is from one to two months prior to the *Trends* date. Lags can be greater with quarterly data such as Personal Income and commercial real estate. Data in the tables are believed to be reliable, but original sources are definitive. All data are subject to revision by the information source. The *Trends* report is available at the DC Chief Financial Officer web-site: www.cfo.dc.gov (click on *Budget and Revenue/Economy/ Economic and Revenue Trends*).

Indicator	Source	Period covered in this report	Next release
D.C. Jobs and Labor Force information	BLS	December	March 4
D.C. Personal Income	BEA	2015.3	March 24
D.C. Tax Collections	OTR/ORA	December	c. February 15
D.C. Housing Sales	MRIS*	December	c. February 10
D.C. Commercial Office Building data	CoStar and Delta	2015.3	c. January 10
DC Apartment data	CoStar and Delta	2015.3	c. January 10
D.C. Hotel stay information	Smith Travel Research	December	c. February 25
Consumer Price Index	BLS	December	February 19
U.S. Jobs and Labor Force	BLS	December	February 5
U.S. GDP and Personal Income	BEA	2015.3	February 26
S and P 500 Stock Index	Financial press	December	February 1
Interest rate on 10-Year Treasury Securities	Financial press	December	February 1
IHS Global Insight D.C. forecast	Global Insight	January	c. February 25
Moody's Analytics D.C. forecast	Moody's Analytics	January	c. February 25
Blue Chip Economic Indicators for the U.S.	Aspen Publishers	January	c. February 10

*Metropolitan Regional Information Systems; listings and contract data accessed through the Greater Capital Area Association of Realtors.

For further information or to comment on this report, contact: Stephen Swaim (202-727-7775) or stephen.swaim@dc.gov. See also the *Economic Indicators* and *Cash Reports* issued monthly by the D.C. Office of the Chief Financial Officer (www.cfo.dc.gov).

District of Columbia Economic and Revenue Trends is prepared by the Office of Revenue Analysis, which is part of the Office of the Chief Financial Officer of the District of Columbia government.

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